

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL NOTE**

HB 1487 - SB 1688

February 2, 2014

SUMMARY OF BILL: Authorizes counties that levy, or may elect to levy, a motor vehicle privilege tax to either exempt any owner of an antique motor vehicle from liability for the tax, or require the owner to pay the tax on a one-time basis upon issuance of a permanent decal or other device. Authorizes the county clerk to charge a one-time fee for the initial issuance of the permanent decal or other device in an amount sufficient to defray the incurred costs associated with the issuance of such devices.

ESTIMATED FISCAL IMPACT:

On January 15, 2014, a fiscal note was issued estimating a fiscal impact as follows:

Decrease Local Revenue – Exceeds \$600,000/Permissive

Due to an incorrect assumption, this impact was in error. Based on information received from the County Technical Assistance Service (CTAS) and the county clerks, the estimated fiscal impact is:

(CORRECTED)

NOT SIGNIFICANT

Corrected Assumptions:

- Sixty out of ninety-five counties in Tennessee impose a motor vehicle privilege tax. The average tax rate among the 60 counties that impose the tax is estimated to be \$43.10.
- Based on data provided by the Department of Revenue, there were 112,949 antique vehicles registered statewide as of January 3, 2014.
- Based on CTAS motor vehicle privilege tax and vehicle registration data, it is estimated that 65.41 percent of antique vehicles, or 73,880 (112,949 x 65.41%), are currently registered in counties that impose the motor vehicle privilege tax.
- Based on information received from CTAS and the county clerks, it is assumed that under current law counties are not required to impose a motor vehicle privilege tax on antique vehicles. The majority of counties that currently impose a motor vehicle


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privilege tax charge a one-time fee for antique vehicles and exempts such vehicles from the recurring tax liability.

- As a result, it is estimated that authorizing counties that levy, or may elect to levy, a motor vehicle privilege tax to either exempt any owner of an antique motor vehicle from liability for the tax, or require the owner to pay the tax on a one-time basis upon issuance of a permanent decal or other device will not result in a significant fiscal impact to the local government.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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